

111TH CONGRESS
1ST SESSION

H. R. 4178

To amend the Federal Deposit Insurance Act to provide for deposit restricted qualified tuition programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 2, 2009

Mr. CLEAVER (for himself, Mr. FRANK of Massachusetts, Mr. MOORE of Kansas, Mr. PAUL, Mr. WATT, Mr. MARCHANT, Mr. McCOTTER, Mrs. CAPITO, and Mr. BACHUS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Federal Deposit Insurance Act to provide for deposit restricted qualified tuition programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Deposit Restricted
5 Qualified Tuition Programs Act of 2009”.

1 **SEC. 2. DEPOSIT RESTRICTED QUALIFIED TUITION PRO-**
2 **GRAMS.**

3 Section 18 of the Federal Deposit Insurance Act (12
4 U.S.C. 1828) is amended by adding at the end the fol-
5 lowing new subsection:

6 “(y) DEPOSIT RESTRICTED QUALIFIED TUITION
7 PROGRAMS.—

8 “(1) DEFINITIONS.—For purposes of this sub-
9 section, the following definitions shall apply:

10 “(A) DEPOSIT RESTRICTED QUALIFIED
11 TUITION PROGRAM.—The term ‘deposit re-
12 stricted qualified tuition program’ means a
13 qualified tuition program in which—

14 “(i) the cash provided by a contrib-
15 utor to such a qualified tuition program
16 may be invested only in deposits insured by
17 the Corporation;

18 “(ii) the contributor may become a
19 participant in the program by depositing
20 funds through the program into an account
21 at a depository institution participating in
22 the program; and

23 “(iii) the program may include mul-
24 tiple depository institutions, subject to the
25 requirements of section 529 of the Internal
26 Revenue Code of 1986, as amended.

1 “(B) QUALIFIED TUITION PROGRAM.—The
2 term ‘qualified tuition program’ has the same
3 meaning as in section 529 of the Internal Rev-
4 enue Code of 1986, as amended.

5 “(2) TREATMENT.—Notwithstanding any other
6 provision of the law, the following provisions shall
7 apply with respect to any deposit restricted qualified
8 tuition program:

9 “(A) A deposit restricted qualified tuition
10 program shall be deemed to be an ‘identified
11 banking product’ (as defined in Section 206 of
12 the Gramm-Leach-Bliley Act of 1999) for pur-
13 poses of the Securities Exchange Act of 1934.

14 “(B) None of the following shall be treated
15 as a security, as defined in section 2(a)(1) the
16 Securities Act of 1933, section 3(a)(10) of the
17 Securities Exchange Act of 1934, or section
18 2(a)(36) of the Investment Company Act of
19 1940:

20 “(i) The deposits of cash at an in-
21 sured depository institution relating to a
22 deposit restricted tuition program.

23 “(ii) Any certificate of deposit or
24 other instrument of an insured depository
25 institution evidencing any such deposit.

1 “(iii) The rights and obligations of
2 participants in a deposit restricted quali-
3 fied tuition program arising from section
4 529 of the Internal Revenue Code, as
5 amended.

6 “(C) In no event shall a deposit restricted
7 qualified tuition program, the State entity des-
8 ignated by statute to oversee such program, the
9 administrator appointed to operate the program
10 on behalf of the State or a participating deposi-
11 tory institution, be deemed to be an issuer of a
12 security or to be an investment company (as de-
13 fined in section 3(a) of the Investment Com-
14 pany Act of 1940).”.

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